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ADMINISTRATIVE AND BUDGETARY MATTERS

ENVIRONMENT FUND: FINANCIAL REPORT AND AUDITED ACCOUNTS FOR THE BIENNIUM 1988-1989 ENDED 31 DECEMBER 1989

Note by the Executive Director

Summary

The present note refers to the report of the Board of Auditors on the financial report and audited financial statements of the Environment Fund for the biennium 1988-1989 ended 31 December 1989; to the comments of the Advisory Committee on Administrative and Budgetary Questions; and to the action taken by the General Assembly in connection therewith. The Executive Director's comments on the report were sent to the Board of Auditors and these have been reflected by them in the appropriate places in their report. The Executive Director's comments on the Advisory Committee's observations are set out below in paragraph 2 of the present note.

Suggested action by the Governing Council

The Governing Council may wish to:

Take note of the comments of the Executive Director on the report of the Board of Auditors on the financial report and audited financial statements of the Environment Fund for the biennium 1988-1989 ended 31 December 1989 and on the observations of the Advisory Committee on Administrative and Budgetary Questions.

1. Pursuant to regulation 11.4 of the Financial Regulations of the United Nations, as amended by General Assembly resolution 3192 (XXVIII) of 18 December 1973, and rule 213.3 of the Financial Rules of the United Nations Environment Programme, the Executive Director transmitted on 31 March 1990 the financial report and financial statements for the biennium 1988-1989 ended 31 December 1989 to the Chairman of the Board of Auditors with copies to the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

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2. The financial report and financial statements were subsequently examined by the Board of Auditors. Together with the audit opinion and report of the Board of Auditors, they were then submitted to the General Assembly at its forty-fifth session. 1/ The General Assembly also had before it the report ACABQ 2/, which contained observations and comments on the financial reports and audited accounts of various organizations. ACABQ has not made any specific observation on the financial report and audited accounts of UNEP.

3. Following its consideration of the financial reports and audited accounts of all United Nations organizations, the General Assembly adopted a resolution 3/, in which it accepted the financial report and audited financial statements and audit opinions of the Board of Auditors, endorsed the comments and observations of the Board of Auditors and the Advisory Committee as contained in their respective reports and requested the Executive Director to submit to the Governing Council, as well as to the General Assembly at its forty-sixth session, a detailed progress report on steps taken to implement previous recommendations of the Board of Auditors and of ACABQ. As regards UNEP, the Board of Auditors have commented (para. 44 of its report) that matters contained in their previous report have either been dealt with to their satisfaction or have been mentioned again in their present report. However, no such matter has been mentioned in the present report.

4. The Executive Director has taken note of the comments and recommendations of the Board of Auditors in so far as they apply to UNEP and generally agrees with them. In connection with the Board's comments on the financial report and financial statements of the Environment Fund, the Executive Director has taken action as follows:

(i) UNEP encourages adequate competition in procurement and regularly updates and extends the register of potential bidders to ensure wider distribution and more representative assortment of bids. The Administration also persists in its efforts to ensure the timely delivery of goods and services by its suppliers and to avoid delays in clearance of goods at ports as far as possible;

(ii) The monitoring procedures for the reporting of project expenditures by executing agencies have been strengthened to ensure regular and timely submission of project expenditures. In fact, in 1988-1989 the auditors recognized that the record of submission of project expenditures was better than in any previous year;

(iii) Whether the recording of contributions would be facilitated by the use of standard advice forms is in some doubt, but this recommendation is being investigated further;

(iv) Steps have also been taken for the strengthening of monitoring procedures to ensure the timely liquidation of travel advances.

Notes

1/ Official Records of the General Assembly, Forty-fifth session, Supplement No. 5F (A/45/5/Add.6 and Corr. 1).

2/ General Assembly Document A/45/570 of 4 October 1990 and Corr. 1 of 8 October 1990

3/ General Assembly Document A/C.5/45/L.5 of 14 November 1990. At the time the present document was issued, the General Assembly resolution had not received an official number.